

REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

Tuesday, April 14, 2020

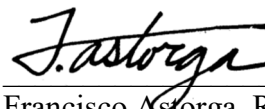
7:30 p.m. (Time approximate after the City Council meeting)

NOTICE IS HEREBY GIVEN that the Board of Directors of the Bountiful City Redevelopment Agency will hold a meeting at **South Davis Metro Fire Station 81, 255 South 100 West, Bountiful, Utah**, at the time and date given above. The public is invited to attend. Persons who require special accommodations should contact Shawna Andrus, City Recorder, at (801) 298-6140, at least 24 hours prior to the meeting.

If you are not on the agenda, the Board of Directors will not discuss your item of business until a subsequent meeting. If you wish to have an item placed on the agenda, contact the Redevelopment Agency Director at (801) 298-6190, at least 7 days before the scheduled meeting.

AGENDA

1. Welcome
2. Consider approval of minutes for June 11, 2019.
3. Consider approval of Agreement to Substitute Collateral, Trust Deed, Assignment of Rents and Security Agreement, and Substitution of Trustee and Request for Full Reconveyance for an existing RDA Loan in the original amount of \$550,000 for the Renaissance Towne Project.
3. RDA Director's report and miscellaneous business.



Francisco Astorga, RDA Director

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, June 11, 2019

Location: South Davis Metro Fire Station 81, 255 South 100 West, Bountiful, Utah

Present: Chairman – Randy Lewis; Board Members – Kate Bradshaw, Kendalyn Harris, Richard Higginson, John Marc Knight and Chris R. Simonsen; City Manager – Gary Hill; City Attorney and Acting Redevelopment Director – Clinton Drake; City Engineer – Lloyd Cheney; Assistant City Manager – Galen Rasmussen

1. Chairman Randy Lewis opened the meeting at 9:00 p.m. and welcomed those in attendance.
2. **Consider approval of minutes for March 26, 2019.**

Ms. Harris made a motion to approve the minutes for March 26, 2019. Mr. Higginson seconded the motion.

<u>A</u>	Mr. Lewis
<u>A</u>	Ms. Bradshaw
<u>A</u>	Ms. Harris
<u>A</u>	Mr. Higginson
<u>A</u>	Mr. Knight
<u>A</u>	Mr. Simonsen

Motion passed 6-0.

3. **PUBLIC HEARING: Consider approval of Resolution 2019-01; FY 2019 Amended RDA Budget and proposed FY 2020 RDA Budget.**

Assistant City Manager Galen Rasmussen presented a summary of the staff report (the full staff report follows).

Each year the Redevelopment Agency (RDA) Board of Bountiful City must adopt a budget for the upcoming fiscal year. The Board may also adopt an amended budget if necessary.

Staff has prepared an amended budget for FY 2019 and a final budget for FY 2020 for the Redevelopment Agency of Bountiful City.

The RDA budget includes two funds:

- Fund 72 – Loan Program
- Fund 73 – Administration and Operations

Fund 72 - The Loan Fund administers the city's revolving loan program. Revenues for the fund include principal and interest payments from loans and transfers from fund balance.

Expenditures are almost exclusively in the form of new loans. Since this fund has adequate balance to cover loans for the coming year, no new funds are budgeted for Fund 72 this year.

Fund 73 – The Administration and Operations Fund is used to administer the RDA programs and projects. Revenues are primarily from tax increment. This year's budget anticipates collecting roughly \$1,020,008 in new tax increment. The remainder of the revenue is from interest earnings and fund balance.

Expenditures in this fund include personnel, operating costs (materials, supplies, and services) and special projects. A total of \$3,265,000 has been budgeted for special projects for the coming year with revenues coming from a combination of Undesignated Fund Balance and new tax increment revenues. Special projects budgeted for next year include funding for the downtown plaza and professional services associated with the project, funding for parking lot improvements near the plaza on the soccer field and east of the Day/Mabey home near Main Street, and planning and redevelopment efforts surrounding the existing City Hall and Renaissance Towne Center. A reduction in administrative funding for the area is reflected in the budget as negotiated with the TEC.

The budget has been reviewed and approved by the City Manager.

Staff recommended that the RDA Board should adopt Resolution 2019-01 approving the Fiscal Year 2019 Amended RDA Budget and proposed Fiscal Year 2020 RDA Budget.

PUBLIC HEARING: Chairman Lewis opened and closed the public hearing at 9:03 p.m. with no comments from the public.

Mr. Higginson inquired regarding the parking lot improvements, and Mr. Hill indicated those improvements are in the city's upcoming plans but an unusually wet spring has caused delays. Mr. Higginson made a motion for approval of Resolution 2019-01; FY 2019 Amended RDA Budget and proposed FY 2020 RDA Budget. Mr. Simonsen seconded the motion.

<u>A</u>	Mr. Lewis
<u>A</u>	Ms. Bradshaw
<u>A</u>	Ms. Harris
<u>A</u>	Mr. Higginson
<u>A</u>	Mr. Knight
<u>A</u>	Mr. Simonsen

Motion passed 6-0.

4. RDA Director's report and miscellaneous business.

Mr. Drake referenced a printout of the current RDA loan payments and noted that all loan payments are current.

Mr. Higginson made a motion to adjourn the RDA meeting. Ms. Harris seconded the motion.

<u>A</u>	Mr. Lewis
<u>A</u>	Ms. Bradshaw
<u>A</u>	Ms. Harris
<u>A</u>	Mr. Higginson
<u>A</u>	Mr. Knight
<u>A</u>	Mr. Simonsen

Motion passed 6-0.

The meeting was adjourned at 9:05 p.m.

Francisco Astorga, Redevelopment Director

Redevelopment Agency Staff Report



Subject: Substitution of Collateral for RDA Loan for the Renaissance Towne Project.

Author: Clinton Drake

Dept: Legal

Date: April 14, 2020

Background

In November of 2018, the RDA approved financing to Broadhead and Associates (Developer) for development of a portion of the Renaissance Towne Center in the amount of \$550,000. The loan was secured by real property collateral located in the Towne Center pursuant to Trust Deed and an Assignment of Rents and Security Deed (Trust Deed) which was recorded on December 11, 2018. The Developer now wishes to develop the encumbered portion of the property and has contracted to sell the property to a third party. In order to sell the property, it cannot be encumbered by the Trust Deed. Accordingly, the Developer has offered to substitute other real property collateral located within the Towne Center in consideration of Release of the Trust Deed.

Analysis

Staff has met with the Developer and found the plans to develop the encumbered parcel are consistent with the RDA's goals. The parcel offered as substitute collateral is equal to the parcel currently encumbered. Allowing the Developer to substitute collateral will allow the Towne Center to develop and the RDA will be provided sufficient substitute collateral to satisfy the original RDA loan. As of the date of this Staff Report, the Developer is current on its obligations to the RDA with just under \$523,000 outstanding. The request also includes a substitution of the current trustee, U.S. Title Insurance Agency to a successor trustee, Metro National Title Company which should not have any impact on the loan. All other terms and conditions such as the loan amount, amortization period, and interest rate will remain the same.

Department Review

This Staff Report was prepared by the City Attorney and reviewed by the City Manager.

Significant Impacts

There are no significant impacts.

Recommendation

It is recommended that the RDA approve the Agreement to Substitute Collateral with accompanying documents and authorize the RDA Chair to sign any documents necessary to complete the transaction.

Attachments

Agreement to Substitute Collateral

Substitution of Trustee and Request for Full Reconveyance

Trust Deed, Assignment of Rents and Security Agreement

AGREEMENT TO SUBSTITUTE COLLATERAL

THIS AGREEMENT is made and entered into as of the ____ day of April, 2020, by and between BOUNTIFUL CITY REDEVELOPMENT AGENCY, a municipal redevelopment agency, pursuant to the laws and ordinances of the State of Utah (the “RDA”), and BROADHEAD & ASSOCIATES, LLC, a Utah limited liability company (“Developer”).

Recitals

A. Developer previously obtained on or about November 28, 2018 from the RDA certain financing to further the development of a portion of the Renaissance Towne Center (the “Project”) in the amount of \$550,000 (the “RDA Loan”).

B. The RDA Loan was secured by certain real property collateral in the Project pursuant to a Trust Deed, Assignment of Rents and Security Agreement dated November 28, 2018 and recorded December 11, 2018 as Entry No. 3133410 in the official records of the Davis County, Utah Recorder’s Office (the “Trust Deed”).

C. In order to facilitate further development at the Project, and consistent with the goals and purpose of the RDA, Developer has entered into a contract to sell the property now encumbered by the Trust Deed in favor of the RDA, and has offered to substitute other real property collateral of equal value to secure the RDA Loan (the “Substitute Collateral”), in consideration of the RDA’s release of the Trust Deed.

D. RDA is willing to release and reconvey the Trust Deed, and accept a replacement trust deed (the “Replacement Trust Deed”) on the Substitute Collateral, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing Recitals and the mutual covenants set forth herein, the parties agree as follows:

1. RDA agrees to release and reconvey the Trust Deed on or before April 21, 2020.
2. Developer agrees to execute, deliver and record the Replacement Trust Deed, in substantially identical form to the Trust Deed being released, on the parcel of real property in the Project that is described in the parcel description and depicted and cross-hatched on the Site Map attached hereto as Exhibit “A”, which shall constitute the Substitute Collateral.
3. The Replacement Trust Deed will be executed, delivered and recorded concurrently with, or prior to, the release and reconveyance of the Trust Deed.
4. All recording costs and other fees and expenses incurred in connection with this substitution of collateral for the RDA Loan will be paid by Developer.

5. All other terms and conditions of the RDA Loan are unmodified and remain in full force and effect.

6. Each party hereto represents and warrants to the other party that execution and delivery of this Agreement and any documents contemplated hereby has been duly authorized.

Executed as of the date first written above.

“Developer”

“RDA”

Broadhead & Associates, LLC

Bountiful City Redevelopment Agency

By _____
Bruce V. Broadhead, Manager

By _____
Its: _____

Approved as to form:

City Attorney

1525025v1

Exhibit "A"

Intelligent. Innovative.
Inclusive.

LAND BOUNDARY DESCRIPTIONS

ENTELLUS PROJECT #1628003, RENAISSANCE

PREPARED April 9, 2020, by JRC

PARCEL DESCRIPTION

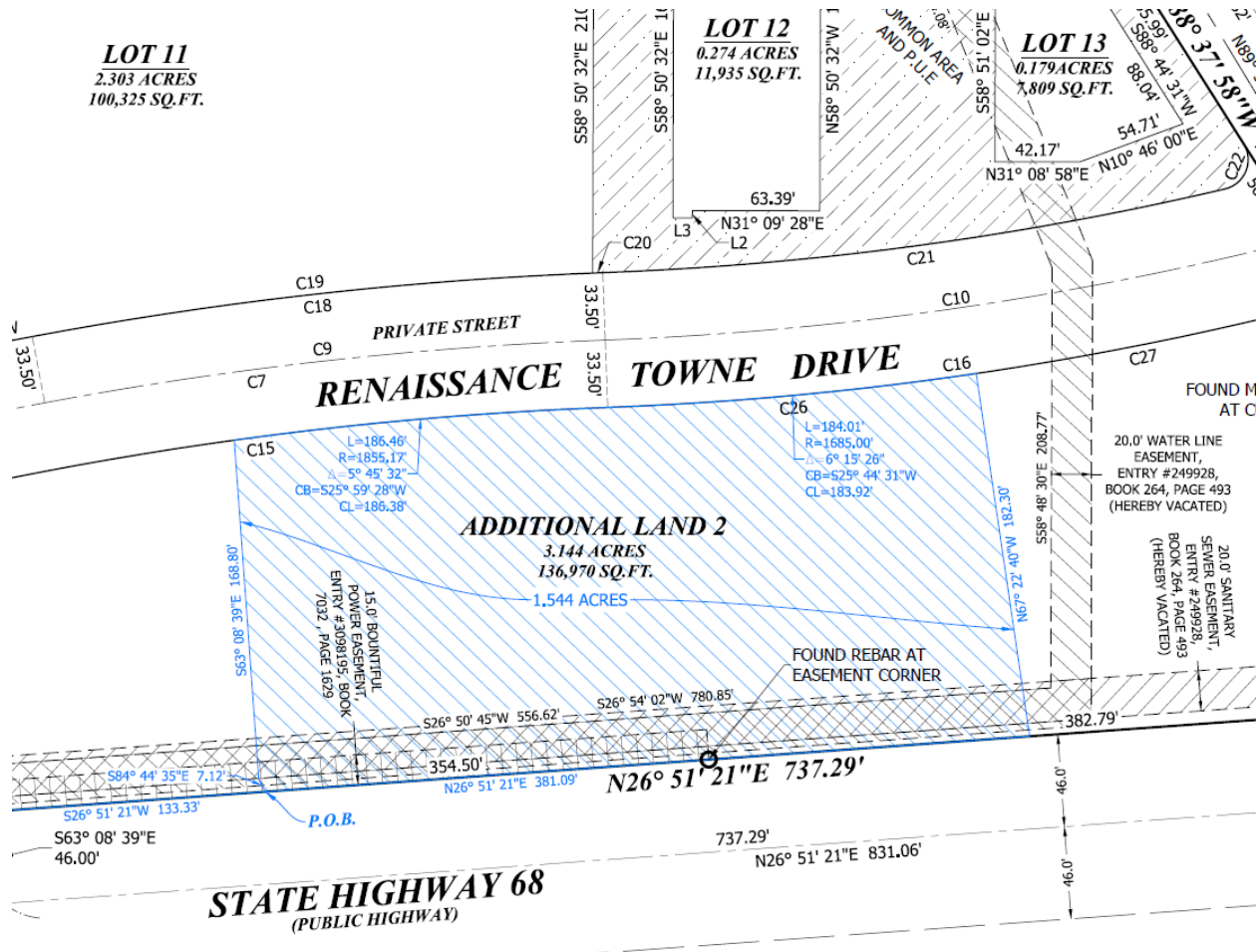
BEGINNING AT A POINT ON THE EAST LINE OF STATE HIGHWAY 68, SAID POINT BEING LOCATED NORTH 89°53'57" EAST ALONG THE SECTION LINE 267.30 FEET TO THE CENTERLINE OF SAID STATE HIGHWAY 68 AND NORTH 26°51'21" EAST 831.06 FEET ALONG SAID CENTERLINE AND SOUTH 63°08'39" EAST 46.00 FEET TO SAID EAST LINE AND SOUTH 26°51'21" WEST 133.33 FEET ALONG SAID EAST LINE FROM THE SOUTHWEST CORNER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN, DAVIS COUNTY, UTAH, AND RUNNING THENCE SOUTH 84°44'35" EAST 7.12 FEET TO THE SOUTHERLY LINE OF THAT PROPERTY CONVEYED IN A SPECIAL WARRANTY DEED RECORDED AS ENTRY #2591657, DAVIS COUNTY RECORDER'S OFFICE; THENCE SOUTH 63°08'39" EAST 168.80 FEET ALONG SAID SOUTHERLY LINE AND ITS EXTENSION TO A NON-TANGENT, 1855.17-FOOT-RADIUS CURVE TO THE RIGHT; THENCE SOUTHERLY 186.46 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°45'32", CHORD BEARS SOUTH 25°59'28" WEST 186.38 FEET, TO A POINT OF REVERSE CURVATURE WITH A 1685.00-FOOT RADIUS CURVE TO THE LEFT; THENCE SOUTHERLY 184.01 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°15'26", CHORD BEARS SOUTH 25°44'31" WEST 183.92 FEET; THENCE NORTH 67°22'40" WEST 182.30 FEET TO AND ALONG THE NORTHERLY LINE OF THAT PROPERTY CONVEYED IN A SPECIAL WARRANTY DEED RECORDED AS ENTRY #3141283, DAVIS COUNTY RECORDER'S OFFICE, TO SAID EAST LINE OF STATE HIGHWAY 68; THENCE NORTH 26°51'21" EAST 381.09 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING. CONTAINING 1.544 ACRES.



1470 South 600 West
Woods Cross, Utah
84010

Tel. 801.298.2236
Web www.entellus.com





WHEN RECORDED RETURN TO:

Larry G. Moore
RAY QUINNEY & NEBEKER P.C.
36 South State Street, Suite 1400
P.O. Box 45385
Salt Lake City, Utah 84145-0385

Tax Serial No. 03-041-0042

SUBSTITUTION OF TRUSTEE
AND
REQUEST FOR FULL RECONVEYANCE

The undersigned, BOUNTIFUL CITY REDEVELOPMENT AGENCY, a municipal redevelopment agency pursuant to the laws and ordinances of the State of Utah, is and was at all times the owner and holder of all indebtedness secured by that certain Trust Deed, Assignment of Rents and Security Agreement (the "Trust Deed") executed by BROADHEAD & ASSOCIATES, LLC, as "Trustor", in favor of U.S. TITLE INSURANCE AGENCY, LLC, as original "Trustee", and the undersigned, as "Beneficiary," which Trust Deed was dated November 28, 2018 and recorded December 11, 2018 as Entry No. 3133410 in Book 7157 at Pages 774-781 in the Official Records of the Davis County, Utah Recorder's Office, which Trust Deed encumbers the real property located in Bountiful City, Davis County, State of Utah, and more particularly described on Exhibit "A" attached hereto and incorporated herein, and does hereby appoint METRO NATIONAL TITLE COMPANY as "Successor Trustee" under such Trust Deed, and does further direct and request such "Successor Trustee", for good and valuable consideration, to fully reconvey and release the lien of such Trust Deed, and the trust estate encumbered thereby, to the parties legally entitled thereto, without representation or warranty.

DATED this ____ day of April, 2020.

"Beneficiary"

BOUNTIFUL CITY REDEVELOPMENT AGENCY

By _____
Its: _____

Approved as to form:

Bountiful City Attorney

STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

On the _____ day of April, 2020, personally appeared before me _____
_____, who acknowledged to me that (s)he executed the foregoing
instrument as the duly authorized _____ of the Bountiful City
Redevelopment Agency, a municipal redevelopment agency pursuant to the laws and ordinances
of the State of Utah.

Notary Public

SEAL

1525047v1/LGM

EXHIBIT "A"
to
Substitution of Trustee and Request for Full Reconveyance

Legal Description of Parcel Number 03-041-0042

Beginning at a point on the North Boundary of 1800 South Street in Bountiful City, Utah which point is N89°53'57"E 267.30 ft. along the Section Line to an existing record monument at the intersection of said Section Line and Utah State Highway 68 (formerly known as Highway 106) and continuing along said Section Line N89°53'57"E 290.69 ft. and North 16.11 ft. from the Southwest Corner of Section 30, T.2N., R.1E., S.L.B. & M. and running thence N88°37'58"E 247.57 ft. along said North boundary of 1800 South Street; thence Northeasterly 30.09 ft. along the arc of a 30.00 ft. radius curve to the left through a central angle of 57°28'30" "(chord bears N59°43'43"E 28.85 ft.); thence N31°09'28"E 90.05 ft. along the West Boundary of Main Street; thence N58°50'32"W 268.88 ft.; thence Southwesterly 252.96 ft. along the arc of a 1685.00 ft. radius curve to the left through a central angle of 8°36'06" (chord bears S20°36'30"W 252.72 ft.) to the point of beginning.

WHEN RECORDED MAIL TO:

Clinton R. Drake
Bountiful City Attorney
790 South 100 East
Bountiful, Utah 84010

Tax APN: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**TRUST DEED, ASSIGNMENT OF RENTS AND
SECURITY AGREEMENT**

THIS TRUST DEED, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT is made as of April ____, 2020 between BROADHEAD & ASSOCIATES, LLC, a Utah limited liability company, whose address is 1560 South Renaissance Drive, Suite 104, Bountiful, Utah 84010, as TRUSTOR; METRO NATIONAL TITLE COMPANY, as TRUSTEE, whose address is 345 E. Broadway, Salt Lake City, Utah 84111; and BOUNTIFUL CITY REDEVELOPMENT AGENCY, a municipal redevelopment agency pursuant to the laws and ordinances of the State of Utah, whose address is 790 South 100 East, Bountiful, Utah 84010, as BENEFICIARY.

WITNESSETH: That Trustor CONVEYS, TRANSFERS, ASSIGNS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, FOR THE BENEFIT OF BENEFICIARY, the real property, situated in Bountiful City, Davis County, State of Utah and more particularly described on Exhibit "A" attached hereto and incorporated herein.

Together with all the estate, right, title and interest that Trustor now has or may hereafter acquire, either in law or in equity, in and to the property described above; together with any amendment or restatement thereof, to have and to hold the same, together with all buildings, structures and improvements now or hereafter placed on the property and all alterations, additions or improvements now or hereafter made thereto, together with all fixtures, equipment, machinery, appliances and mechanical systems of every nature whether now or hereafter located in, on or used or intended to be used in connection with said buildings, structures and improvements or on the property, including without limitation those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light and including without limitation all plumbing, plumbing fixtures, water heaters, furnaces, air conditioners, kitchen appliances, light fixtures, awnings, storm windows, storm doors, screens, blinds, shades, curtains, curtain rods, mirrors, cabinets, wall coverings, rugs, carpeting, floor coverings, telephone equipment, landscaping trees and plants, fences, security systems and outdoor lighting, and all other similar items and goods and all additions and replacements therefor, whether now or hereafter placed on the property or in any of the buildings or improvements thereon, and together with all easements, rights of way, covenants benefitting the property, singular lands,

tenements, hereditaments, reversions, remainders, rents, leases, receipts, accounts, contract rights, contracts of sale or other dispositions, instruments, documents, general intangibles, deposit accounts, management agreements, operating agreements, issues, profits, privileges, governmental permits, governmental entitlements, utility and other deposits and rebates, voting and other rights under any recorded or unrecorded declaration, articles, bylaws, or rules and regulations established by any owners' association or similar entity, declarant and other rights under any recorded or unrecorded covenants, conditions and restrictions, plans and specifications, studies, data, tests, reports and drawings, and appurtenances of every kind and nature thereunto belonging, relating or in any way appertaining, or which may be hereafter acquired and used or related to said property, or any part thereof, and together with all proceeds therefrom including without limitation insurance proceeds (all of the foregoing shall hereinafter be referred to as the "Property").

FOR THE PURPOSE OF SECURING the payment and performance of all obligations of Trustor as "Borrower" under (1) a Trust Deed Note dated as of November 28, 2018 (the "Note"), in favor of Beneficiary in the original principal amount of Five Hundred Fifty Thousand Dollars (\$550,000.), and all extensions and modifications thereof and other related loan documents, if any (the "Loan Documents") executed in connection therewith; (2) the performance of each agreement of Trustor set forth in this Trust Deed; (3) the payment of such additional loans or advances as hereafter may be made to Trustor when evidenced by a promissory note or other document reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof or of the Note, together with interest thereon as provided herein or therein.

An "event of default" or a "default" under this Trust Deed shall occur upon (1) any default or event of default occurring under the Note, (2) any default or event of default occurring under any other obligation secured by this Trust Deed, (3) any failure to meet or comply with Trustor's obligations under this Trust Deed, (4) any failure to pay any other prior encumbrances against the Property when due, (5) a receiver or a trustee being appointed for Trustor or with respect to Trustor's property, (6) Trustor making an assignment for benefit of creditors, (7) Trustor becoming insolvent, (8) a petition being filed by or against Trustor pursuant to any provision of the United States Bankruptcy Code, as amended, or (9) Trustor's sale, conveyance, or encumbrance of the Property, or any interest therein, or transfer of any majority or controlling member or other equity interest in Trustor, except as expressly permitted by this Trust Deed.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. To keep the Property in clean and good condition and repair; to comply with all laws, covenants and restrictions affecting the Property including without limitation all applicable local, state and federal laws, rules, regulations and ordinances relating to land use, zoning or protection of the environment, or to the generation, use, storage, removal, transportation, handling or disposal of toxic materials, hazardous substances, hazardous waste or other similar materials or substances; not to commit or permit waste on the Property; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary.

2. To provide and maintain liability insurance, of such type or types and amounts as Beneficiary may otherwise require, on the improvements now existing or hereafter constructed or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses and mortgagee clauses in favor of and in form acceptable to Beneficiary. In the event of the foreclosure of this Trust Deed or other transfer of title to the Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of the Trustor in and to any insurance policy then in force shall pass to the purchaser or grantee.

3. To deliver to, pay for and maintain with Beneficiary until the Note and all other indebtedness secured hereby are paid in full, such evidence of title as Beneficiary may require, including policies of title insurance and any extensions or renewals thereof or supplements or endorsements thereto.

4. To appear in and defend any action or proceeding purporting to affect the liens and security interests granted hereby, the title to the Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees incurred by Beneficiary and Trustee.

5. To pay at least 10 days before delinquency all taxes and assessments affecting the Property, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens with interest on the Property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses incurred in connection with this Trust Deed.

6. Upon an event of default, including a default under the Note or Trustor's failure to make any payment or to do any act as provided in this Trust Deed, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor or Borrower from any obligation thereof or under the Note, may (i) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (ii) commence, appear in and defend any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee; (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and the employment of attorneys.

7. That the Beneficiary shall have the right to inspect the Property before, during or after construction is completed at any and all times during usual business hours.

8. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee with interest from date of expenditure until paid at the higher of the default rates set forth in the Note. The repayment of such sums and interest shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

1. Should the Property or any part thereof be taken or damaged by reason of any public improvements or condemnation proceeding, or damaged by fire, earthquake, or flood, or in any other manner, Beneficiary shall be entitled to receive independently and solely all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, right of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

2. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the Note (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the Property; and (e) take other or additional security for the payment thereof. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

3. So long as the indebtedness secured hereby is outstanding, Trustor hereby assigns absolutely to Beneficiary all leases, rents, issues, royalties, and profits of the Property and of any personal property located thereon, whether now existing or hereafter arising. Until a default occurs in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder or an event of default under the Note or until Beneficiary gives notice otherwise, Trustor shall be permitted to collect all such rents, issues, royalties and profits earned prior to such event of default or, as the case may be, notice from Beneficiary, as they become due and payable. If such an event of default occurs or upon Beneficiary's notice, Trustor's privilege to collect any of such moneys and enjoy the benefits of such Property shall cease, and Beneficiary shall have the right, as stated above, with or without taking possession of the Property, to collect all leases, rents, royalties, issues, and profits and enjoy the benefits of such Property. Failure of or discontinuance by Beneficiary at any time or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

4. Upon any default hereunder or any default under the indebtedness secured hereby or under the Note, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of such receiver without the posting of a bond or undertaking and consenting to the appointment of Beneficiary as such receiver), and without regard to the value of the Property or the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect said rents, issues and profits including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

5. The entering upon and taking possession of the Property, the appointment of a receiver, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property, and the application thereof shall not cure or waive any default or notice of default hereunder or under the Note or any of the other Loan Documents nor invalidate the rights of Beneficiary upon such default or under the notice of default nor any act done pursuant to such notice of default.

6. Failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default or acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver of any other subsequent default.

7. In the event of the passage, after the date of this Trust Deed, of any law deducting from the value of the Property for the purposes of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of trust deeds or debts secured by trust deeds, or the manner of the collection of any such taxes, so as to affect this Trust Deed, the indebtedness secured hereby shall immediately become due and payable at the option of the Beneficiary.

8. Time is of the essence hereof. Upon default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, or upon the occurrence of any other default or event of default under the Note or any of the other Loan Documents, or in the event a receiver or a trustee is appointed for Trustor, or Trustor makes an assignment for benefit of creditors, or Trustor becomes insolvent, or a petition is filed by or against Trustor pursuant to any provisions of the United States Bankruptcy Code, as amended, all sums secured hereby shall immediately become due and payable in full at the option of Beneficiary. In the event of such default, and without any obligation on Beneficiary to give notice of such acceleration, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein the Property or some part or parcel thereof is situated. Beneficiary also shall, if requested, deposit with Trustee, the Note and all documents evidencing expenditures secured hereby.

9. At any time after the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, may sell the Property on the date and at the time and place designated in such notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may request, at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any reason, postpone the sale from time to time to the extent permitted by law until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser its trustee's deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Except as otherwise directed by applicable law, Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees; (2) the costs of any appraisals, environmental audits, and evidences of title procured in connection with such sale and any expenses associated with the Trustee's deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest from the day of expenditure at the default rate set forth in the Note as allocated by Beneficiary in its discretion; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit or interplead the balance of such proceeds with the county clerk or a court of the county in which the sale took place.

10. Trustor agrees to surrender possession of the Property to the purchaser at the sale immediately after such sale in the event such possession has not previously been surrendered by Trustor.

11. Upon the occurrence of any default hereunder or any default under the indebtedness secured hereby, including a default under the Note or any of the other Loan Documents, which is not cured within thirty (30) days of written notice from Beneficiary to Trustor specifying such default, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable in full and foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property, and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto including appraisals, environmental audits, title reports, court costs and attorney's fees in such amount as shall be fixed by the court. Beneficiary's acceptance of this Trust Deed does not constitute a waiver of any events of default which may exist on the Note of the Loan Documents as of the date this Trust Deed is delivered by Trustor.

12. This Trust Deed is intended to be an assignment, security agreement and pledge pursuant to the Uniform Commercial Code and other applicable law for any of the items specified above as part of the Property which, under applicable law, may be subject to an assignment, security interest or pledge pursuant to the Uniform Commercial Code or such other law, and Trustor hereby grants Beneficiary a security interest in the items specified above as part of the Property which are personal property. This Trust Deed is also a financing statement and fixture filing and as such may be recorded in the real estate records of the county in which the Property is located. Trustor agrees that Beneficiary may file this Trust Deed, or a photocopy thereof, in any other jurisdiction or other appropriate index, as a financing statement for any of the items specified above as part of the Property or for any other purpose; in addition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any other financing statements, as well as extensions, renewals and amendments thereto, and reproductions of this Trust Deed in such form as Beneficiary may require to perfect a security interest with respect to said items. Upon Trustor's breach of any covenant or agreement of Trustor contained in this Trust Deed, or after the occurrence of an event of default under the Note, including breach of the covenants to pay when due all sums secured by this Trust Deed, Beneficiary shall have the remedies of a secured party under the Uniform Commercial Code and other applicable law and, at Beneficiary's option, may also invoke the remedies provided in this Trust Deed as to such items. In exercising any of said remedies, Beneficiary may proceed against the items of real property and any items of personal property collateral specified above as part of the Property separately or together and in any order whatsoever without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or of the remedies provided in this Trust Deed and without affecting the personal liability of Trustor under the indebtedness secured by

this Trust Deed. Portions of the Property may constitute goods which are or are to become fixtures on or relating to the improvements constructed on the Property, and this Trust Deed is to be recorded in the real estate records of the county in which the Property is located. Trustor covenants and agrees that, from and after the time of the recording of this Trust Deed, this Trust Deed shall constitute a fixture filing under the Uniform Commercial Code. Information concerning the security interest created hereby may be obtained from Beneficiary. The legal description of the Property in this Trust Deed is the legal description of the real estate upon which any fixtures covered by this Trust Deed are or may be located, and the Trustor is the record owner of such Property.

13. Beneficiary, in its sole discretion and for any reason, may appoint a successor trustee at any time by filing for record in the office of the county recorder of each county in which the Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed without notice to all the powers, duties, authority and title of the trustee named herein or of any successor trustee.

14. The rights and remedies of Beneficiary under this Trust Deed are cumulative and are in addition to any other remedies provided by law or under the Note. The exercise by Beneficiary of one right or remedy under this Trust Deed shall not constitute an election of remedies to the exclusion of other rights and remedies. Trustor hereby waives all claims that Beneficiary marshal assets of Trustor in collecting the indebtedness secured hereby. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

15. Trustee accepts this Trust Deed when it is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other trust deed or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party, unless such action or proceeding is brought by Trustee.

16. If all or any part of the Property or an interest therein is sold, transferred or encumbered voluntarily or involuntarily by Trustor (or if a majority or controlling ownership, member or equity interest in Trustor is sold or transferred) without Beneficiary's prior written consent, which consent may be withheld for any reason, then Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable in full.

17. Trustor hereby agrees to indemnify, defend and hold harmless Beneficiary, its successors, assigns, officers, directors, employees and agents for, from and against any loss, liability, cost, injury, expense or damage, including without limitation court costs and attorneys fees and expenses, in connection with or arising from the presence, escape, seepage, leakage, spillage, discharge or emission on or from the Property, after the date this Trust Deed is executed by Trustor, of any hazardous or toxic substances, materials or waste that are or may be regulated by federal, state or local law. This indemnification (a) shall survive the release, foreclosure or satisfaction of this Trust Deed or the transfer of the Property encumbered hereby, (b) is separate and distinct from the other obligations under this Trust Deed and the indebtedness secured hereby, (c) is not secured by this Trust Deed, and (d) shall be in addition to any other such indemnifications.

18. This Trust Deed shall be construed according to the laws of the State of Utah.

19. Notwithstanding any provision herein or in the Note, the total liability for payments in the nature of interest shall not exceed the limits that may be imposed by the applicable laws of the State of Utah.

20. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Trust Deed or the rights of Beneficiary hereunder.

21. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address hereinbefore set forth.

SIGNATURE OF TRUSTOR:

BROADHEAD & ASSOCIATES, LLC, a
Utah limited liability company

Bruce V. Broadhead, Manager

ACKNOWLEDGEMENT

STATE OF UTAH)
) ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this _____ day of April, 2020, by Bruce V. Broadhead, as duly authorized Manager of Broadhead & Associates, LLC, a Utah limited liability company, which thereby executed the same.

Notary Public

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